

Q2 2022

Manhattan Market Report

SERHANT.

Letter From Garrett



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The Manhattan market continued its upward climb in the second quarter, driven by deals that initially entered contract in late 2021 or the first quarter of 2022. The average price increased 8.8% to \$2,171,876 and the median price increased 11.3% to \$1,250,000. The average price-per-square-foot increased 9.4% to \$1,694, its highest level since the second quarter of 2019 when a flood of luxury deals closed to avoid the increased mansion and transfer taxes that took effect July 1 of that year. Discounts were down, at just 4.9% off the initial list price, compared to 9.7% in the second quarter last year. However, contract activity, which is the best real-time gauge of market performance, dropped 18.7% from the record level in 2021. The decline in contract activity increased each month into the quarter as rising mortgage rates and stock market volatility began to impact the market. Still, with inflation at its highest level in 40 years, real estate is viewed as a hedge, and the number of contracts signed is still running stronger than every other second quarter since 2016. Properties spent an average of 135 days listed, down from 181 in the second quarter last year. As we enter Q3, we expect activity to slow further as market volatility, rising rates, and the upcoming election create headwinds. Still, appropriately priced, turnkey homes, will sell well.

Market Highlights:

Average Price

\$2,171,876

Year-Over-Year

8.8%

Median Price

\$1,250,000

Year-Over-Year

11.3%

Average PPSF

\$1,694

Year-Over-Year

9.4%

29.7%

Share of Inventory
Over \$3m

4.9%

Average
Discount

26.5%

Of Properties Took
Less Than 30 Days
To Enter Contract

17.2%

Share Of Closings
Over \$3m

135

Average Days On
Market






23.8%






Of Properties Took
Over 180 Days
To Enter Contract

Closed Sales

By Bed

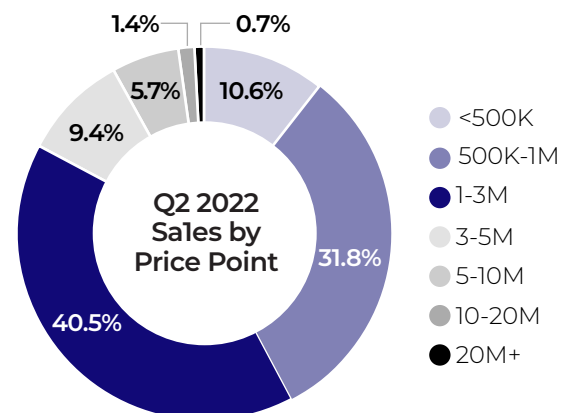
There were 3,199 sales in Manhattan, an increase of 7.1% over this time last year. For condos, the greatest share of closings was for 2-bedroom homes with 35% of all transactions, followed by 1-bedroom homes with 32%. Condo prices were higher for all unit sizes, with smaller sized homes once again showing appreciation. The greatest overall price increases were for 2-bedroom homes, where the median increased 19%, the average increased 13%, and the average price-per-foot increased 15%. For co-ops, the most sales were for 1-bedroom homes, with 37% of transactions. Two-bedrooms followed up 29% and studios had 19%. Prices were up for all unit sizes, with the greatest jumps for studios, 3-bedrooms, and homes with four or more bedrooms.

					
Condo	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	9%	32%	35%	17%	7%
Average Discount	5%	3%	5%	6%	7%
Median Price	\$630,000	\$1,133,763	\$2,200,000	\$3,995,000	\$9,002,125
YoY	8%	13%	19%	4%	22%
Average Price	\$635,354	\$1,252,596	\$2,350,240	\$4,674,469	\$12,561,280
YoY	6%	13%	13%	-1%	-4%
Average PPSF	\$1,280	\$1,534	\$1,741	\$2,064	\$2,439
YoY	12%	10%	15%	3%	14%
Average SF	\$515	\$805	\$1,323	\$2,108	\$3,251
YoY	-3%	-2%	-2%	-3%	-10%

					
Co-op	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	19%	37%	29%	11%	4%
Average Discount	4%	4%	5%	5%	9%
Median Price	\$470,000	\$700,000	\$1,300,153	\$2,225,000	\$4,500,000
YoY	18%	4%	6%	20%	21%
Average Price	\$497,711	\$786,265	\$1,495,051	\$2,600,275	\$5,528,491
YoY	19%	10%	6%	23%	36%
Average PPSF	\$981	\$963	\$1,144	\$1,287	\$1,633
YoY	15%	5%	5%	19%	33%
Average SF	\$496	\$908	\$1,255	\$1,886	\$3,312
YoY	-2%	17%	-4%	6%	6%

By Price

The largest concentration of sales, equaling 40.5% of transactions, were priced between \$1-3 million. These homes had an average discount of just 5% off their initial listing price, down from 10% last year. The next largest share of deals was for properties priced between \$500,000-1 million, with 31.8%. Their discount was 4%, down from 8% last year. Sales for homes priced \$20 million and above totaled 0.7% of the market and had the highest discount rate, averaging 11%. Sales for homes priced between \$10-20 million totaled 1.4% of the market and had the next highest discount rate, averaging 8%, the same as homes that sold between \$5-10 million.



Closed Sales

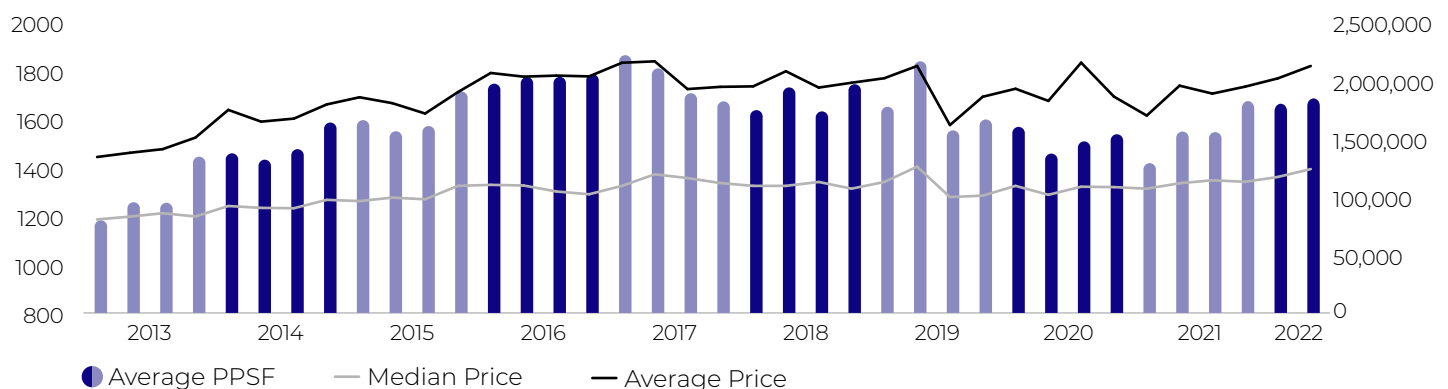
By Location

In total, 35% of condo sales were located Downtown. There, the median price increased 3% to \$2,350,000 and the average price-per-foot increased 5% to \$1,987. This was the most expensive submarket, despite recording the smallest yearly price growth. However, it was Midtown West that recorded the steepest price increases. There, the median price increased 60% to \$1,600,000 and average price increased 70% to \$2,464,836. The increases were driven by a 28% rise in average price-per-square-foot and 25% increase in average unit size, due in large part to new development closings in Hell's Kitchen and Hudson Yards. For co-ops, the greatest share of sales was on the Upper East Side. There, the median price increased 26% to \$1,100,000 and average price improved 21% to \$1,656,898. These were the greatest price increases of any market.

Condo	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	11%	12%	15%	14%	5%	35%	8%
Average Discount	3%	7%	4%	6%	6%	4%	5%
Median Price	\$946,789	\$1,990,000	\$2,000,000	\$1,390,000	\$1,600,000	\$2,350,000	\$1,200,000
YoY	5%	22%	39%	11%	60%	3%	20%
Average Price	\$1,227,971	\$3,862,607	\$3,227,921	\$3,757,219	\$2,464,836	\$3,054,544	\$1,759,841
YoY	2%	41%	21%	-16%	70%	-1%	24%
Average PPSF	\$1,174	\$1,725	\$1,839	\$1,614	\$1,726	\$1,987	\$1,428
YoY	11%	22%	30%	5%	28%	5%	16%
Average SF	1,001	1,555	1,497	1,141	1,261	1,455	1,129
YoY	-13%	11%	19%	-9%	25%	-9%	6%

Co-op	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	7%	26%	21%	18%	2%	25%	1%
Average Discount	4%	6%	4%	7%	7%	3%	4%
Median Price	\$545,000	\$1,100,000	\$913,741	\$699,000	\$600,000	\$916,500	\$692,500
YoY	2%	26%	10%	11%	3%	-6%	-2%
Average Price	\$759,692	\$1,656,898	\$1,425,740	\$982,073	\$763,057	\$1,337,055	\$869,992
YoY	25%	21%	17%	14%	15%	-1%	1%
Average PPSF	\$742	\$1,125	\$1,152	\$921	\$946	\$1,310	\$927
YoY	22%	18%	11%	11%	3%	6%	45%
Average SF	942	1,277	1,109	1,150	892	1,236	1,129
YoY	-1%	5%	11%	14%	-7%	11%	-21%






Historical Price Trends








Contracts Signed

By Bed

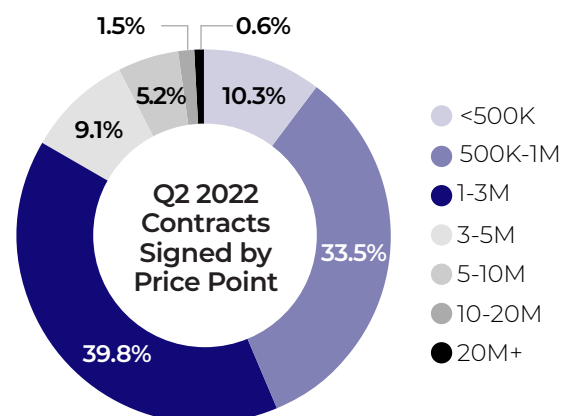
There were 3,767 contracts signed in Q2, a decline of 18.7% from last year as the impact of rapidly rising mortgage rates and volatility in the financial markets slowed sales. For condos, 2-bedroom homes made up the largest share of contracts, with 35%, followed by 1-bedrooms with 34%. Prices were up for all unit sizes, with the greatest median price increase for 1-bedroom homes, up 13%. Larger, 4+ bedrooms had the highest average price increase, up 16%, followed by studios, up 14%. The greatest price-per-foot increase was for studios where it rose 10% to \$1,429. For co-ops, 1-bedrooms had the most contracts, with 39%, followed by 2-bedrooms with 28%. 1-bedrooms had the greatest price increases, with their median price up 8%, average up 11%, and average price-per-foot up 10%.

					
Condo	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	10%	34%	35%	15%	6%
Median Price	\$689,000	\$1,125,000	\$2,195,000	\$3,750,000	\$8,272,500
YoY	10%	13%	10%	2%	4%
Average Price	\$744,255	\$1,234,406	\$2,460,287	\$4,570,815	\$11,339,569
YoY	14%	7%	10%	0.1%	16%
Average PPSF	\$1,429	\$1,571	\$1,798	\$2,135	\$2,756
YoY	10%	7%	7%	3%	6%
Average SF	533	794	1,323	2,029	3,693
YoY	1%	-1%	1%	-3%	2%

					
Co-op	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	16%	39%	28%	13%	4%
Median Price	\$450,000	\$749,000	\$1,295,000	\$2,275,000	\$3,750,000
YoY	3%	8%	1%	6%	-17%
Average Price	\$468,731	\$824,629	\$1,443,275	\$2,446,730	\$4,688,468
YoY	-2%	11%	0.1%	-2%	-22%
Average PPSF	\$963	\$1,054	\$1,127	\$1,229	\$1,366
YoY	2%	10%	2%	6%	-2%
Average SF	508	789	1,211	1,834	2,840
YoY	-3%	2%	1%	-2%	-9%

By Price

The greatest share of contracts, with 39.8%, were priced between \$1-3 million. They spent an average of 127 days on the market, down from 144 in Q1. The next largest share of contracts was priced between \$500,000-1 million, with 33.5%. They spent an average of 119 days listed, down from 132 in Q1. The slowest moving properties were those priced \$20 million and above: they made up 0.6% share of contracts and averaged 324 days listed. That was followed by listings priced between \$5-10 million at 216 days and \$10-20 million at 201 days. Properties priced between \$3-5 million spent 150 days listed, while those priced up to \$500,000 spent 153 days on the market.



Contracts Signed

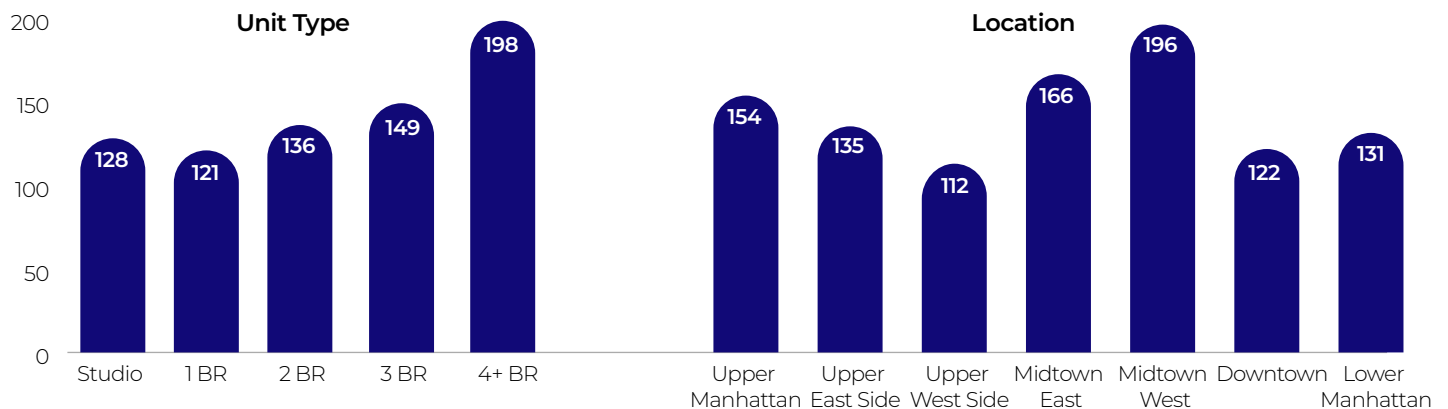
By Location

Downtown was the top condo market with 35% of all contracts. There, the median price dipped 4% and the average price dropped 5%. Size played a factor, falling 33% as more buyers opted for efficient units. The most improved condo market was the Upper East Side, where the median price was up 19% and average price increased 39%. These were the largest homes, at 1,607 square feet. Midtown West prices also grew, driven by an increase in new development deals in Hell's Kitchen and Hudson Yards. For co-ops, the Upper East Side was the most active market with 26% of transactions. There, the median price dropped 5% and the average dropped 6%. Downtown followed with 25% of contracts. It also had price declines: the median fell 2% and average fell 8%. The greatest price increases were in Lower Manhattan, where the median price jumped 43% and average improved 31%.

Condo	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	8%	13%	16%	14%	6%	35%	8%
Median Price	\$960,000	\$1,749,000	\$1,850,000	\$1,199,500	\$1,500,000	\$2,272,000	\$1,200,000
YoY	-11%	19%	-7%	3%	25%	-4%	-18%
Average Price	\$1,326,193	\$3,703,948	\$2,902,459	\$2,128,690	\$2,528,704	\$3,178,935	\$1,674,606
YoY	8%	39%	-11%	-10%	13%	-5%	-9%
Average PPSF	\$1,137	\$1,771	\$1,897	\$1,600	\$1,864	\$2,082	\$1,459
YoY	-1%	11%	3%	-2%	12%	2%	-0.1%
Average SF	1,103	1,607	1,080	1,202	1,441	1,076	1,420
YoY	5%	7%	-33%	-4%	27%	-33%	20%

Co-op	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	9%	26%	19%	15%	2%	25%	3%
Median Price	\$600,000	\$995,000	\$1,072,500	\$685,000	\$685,000	\$925,000	\$1,217,500
YoY	10%	-5%	-2%	-9%	34%	-2%	43%
Average Price	\$713,541	\$1,690,304	\$1,448,097	\$884,290	\$727,303	\$1,311,245	\$1,329,706
YoY	1%	-6%	-9%	-4%	13%	-8%	31%
Average PPSF	\$692	\$1,070	\$1,198	\$917	\$1,030	\$1,338	\$1,381
YoY	6%	2%	5%	2%	16%	2%	60%
Average SF	959	1,274	1,027	792	1,059	1,039	1,099
YoY	6%	1%	-6%	-24%	18%	-13%	-18%






Average Days on Market








Active Listings

By Bed

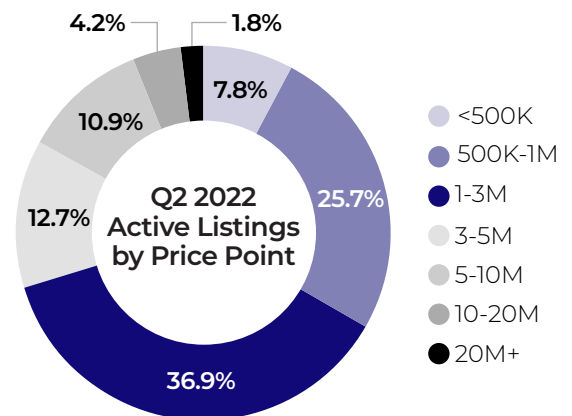
There were 8,263 active listings at the end of Q2, a decline of 0.2% from the same time last year. For condos, the largest share of inventory was for 2-bedroom homes, with 32% of all listings. 1-bedrooms totaled 30%, followed by 3-bedrooms at 19%. Condo prices were largely up, with the greatest increased for 3-bedroom homes. Their median price rose 10% and average price was up 11%. 2-bedrooms followed a similar pattern, with their median up 10% and average up 8%. For co-ops, the greatest share of listings was for 1-bedroom units, with 35%. The next biggest share was for 2-bedroom homes, with 29%, followed by studios with 15%. Median prices were largely flat from one year ago, while average prices were up for homes with two bedrooms or less. The greatest average price increased was for 2-bedroom homes, where it increased 11% to \$1,767,759.

					
Condo	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	7%	30%	32%	19%	11%
Median Price	\$722,500	\$1,199,500	\$2,449,000	\$4,695,000	\$7,995,000
YoY	6%	9%	10%	10%	-9%
Average Price	\$981,109	\$1,416,193	\$2,759,856	\$5,852,239	\$12,899,488
YoY	11%	-1%	8%	11%	3%
Average PPSF	\$1,441	\$1,625	\$1,936	\$2,397	\$2,957
YoY	2%	6%	8%	7%	1%
Average SF	544	859	1,391	2,284	3,800
YoY	4%	1%	1%	3%	-3%

					
Co-op	Studio	1 Bed	2 Bed	3 Bed	4+ Bed
% Units	15%	35%	29%	14%	8%
Median Price	\$450,000	\$710,000	\$1,400,000	\$2,499,999	\$5,250,000
YoY	0%	2%	8%	-2%	0%
Average Price	\$591,363	\$811,751	\$1,767,759	\$3,244,668	\$8,011,502
YoY	7%	5%	11%	1%	-2%
Average PPSF	\$1,009	\$1,053	\$1,228	\$1,367	\$1,889
YoY	4%	7%	11%	-2%	4%
Average SF	498	792	1,276	2,054	3,559
YoY	-6%	-2%	-22%	-4%	-3%

By Price

There were 3,047 properties listed between \$1-3 million, making up 36.9% of the market. Listings priced between \$500,000-1 million followed, with 2,121 properties, or 25.7% of the market. 643 homes were priced under \$500,000, equaling 7.8%. Homes priced between \$3-5 million made up 12.7% of the total, and the \$5-10 million tranche totaled 10.9%. The months of supply, or time it would take all active listings to sell, was 6.9, up from 4.7 months last year as the market normalized following the rush of activity in 2021. The lowest level of supply, with 5.2 months, was for listings under \$500,000. The greatest supply was for homes priced \$20 million and above, with 22.8. The market was largely balanced for listings priced up to \$3 million. While the \$5 million and above market favored buyers.



Active Listings

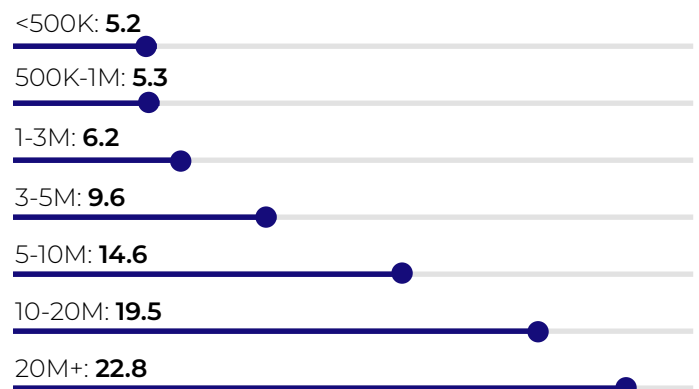
By Location

Downtown had the largest share of condo listings, with 29%. Midtown East was second, with 18%, followed by the Upper West Side, with 14%. Condo prices were largely up across all markets. The greatest price increases were in Midtown East followed by Lower Manhattan, the regions that took the longest to recover following the return-to-office. In Midtown East, the median increased 11% and average increased 18%. In Lower Manhattan, the median was up 10% and average up 18%. For co-ops, the greatest share of listings was on the Upper East Side, with 31%. There, the median price was up 2% although the average fell 1%. Midtown East had the next largest share, with 20% of listings. There, both the median and average prices were up 6%. However, the greatest median price rise was on the Upper West Side, where it jumped 27%. Its average was up 11%.

Condo	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	8%	12%	14%	18%	8%	29%	10%
Median Price	\$999,000	\$2,595,000	\$2,950,000	\$1,825,000	\$1,564,500	\$3,000,000	\$1,435,000
YoY	9%	3%	14%	11%	5%	0.2%	10%
Average Price	\$1,433,961	\$4,204,646	\$4,686,845	\$4,952,273	\$2,552,533	\$4,592,344	\$2,366,687
YoY	4%	-13%	9%	18%	-6%	1%	18%
Average PPSF	\$1,182	\$1,990	\$2,236	\$2,183	\$1,863	\$2,278	\$1,601
YoY	4%	1%	5%	8%	-1%	6%	7%
Average SF	1,164	1,877	1,823	1,641	1,197	1,843	1,305
YoY	2%	-10%	0%	7%	-4%	-3%	6%

Co-op	Upper Manhattan	Upper East Side	Upper West Side	Midtown East	Midtown West	Downtown	Lower Manhattan
% Units	10%	31%	17%	20%	2%	19%	2%
Median Price	\$540,000	\$1,325,000	\$1,237,500	\$795,000	\$550,000	\$1,100,000	\$1,195,000
YoY	8%	2%	27%	6%	-4%	13%	9%
Average Price	\$646,322	\$2,740,753	\$2,334,000	\$1,294,683	\$681,935	\$1,859,806	\$1,510,525
YoY	9%	-1%	11%	6%	-12%	3%	28%
Average PPSF	\$702	\$1,315	\$1,387	\$1,030	\$1,040	\$1,460	\$1,314
YoY	5%	1%	11%	8%	4%	9%	40%
Average SF	884	1,429	1,327	1,220	748	1,436	1,324
YoY	-5%	-14%	-36%	8%	-22%	0.1%	-4%

Months of Supply



Research

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